

Board of Directors, Hope for Homeowners Program

§ 4001.201

sale or disposition related to a default, any proceeds due to FHA as a result of the appreciation in value of the property (as calculated in accordance with paragraph (a) of this section) shall be distributed:

(i) First to the holders of any shared appreciation certificate or other documentation issued by HUD with respect to the property, if any, in accordance with paragraphs (d)(1), (d)(2), and (d)(3) of this section; and

(ii) The remaining amounts, if any, will be retained by FHA.

(e) *Election to receive upfront payment in lieu of a share of appreciation.* Upon meeting the requirements of paragraph (c) of this section, the eligible holder(s) of an existing subordinate mortgage on a property securing a Program mortgage may elect to receive, contemporaneously with the origination of the Program mortgage, a payment from FHA in an aggregate amount determined in accordance with the formula provided in Appendix A to this part in lieu of any right to receive a portion of FHA's 50 percent interest in the future appreciation in the appraised value of such property under paragraph (c) of this section.

[73 FR 58420, Oct. 6, 2008, as amended at 74 FR 622, Jan. 7, 2009]

§ 4001.122 Fees and closing costs.

(a) The holder or servicer of the existing senior and subordinate mortgages shall either forgive or waive all prepayment penalties and delinquency and default fees.

(b) Allowable closing costs incurred in connection with the refinancing and insurance of a mortgage under the Program can be paid from the following sources:

(1) The mortgagor's assets;

(2) The mortgagee holding or servicing the existing senior and subordinate mortgage or the mortgagee originating the Program mortgage;

(3) Premium pricing by the mortgagee providing the Program mortgage;

(4) Financed as part of the Program mortgage provided that the mortgage amount is adjusted accordingly, and the loan-to-value ratio does not exceed 90 percent (including the up-front premium required under § 4001.203(a)(1));

(5) A Federal, state, county or parish, or municipal program; or

(6) Such other sources as the Board may permit.

Subpart C—Rights and Obligations Under the Contract of Insurance

§ 4001.201 Cross-reference.

(a) All of the provisions of 24 CFR part 203, subpart B, covering mortgages insured under section 203 of the Act shall apply to mortgages insured under section 257 of the Act, *except the following sections*: 203.256 Insurance of open-end advances; 203.259a Scope; 203.260 Amount of insurance premium; 203.261 Calculation of periodic MIP (periodic MIP); 203.270 Open-end insurance charges; 203.280 One-time of Up-front MIP; 203.281 Calculation of one-time MIP; 203.283 Refund of one-time MIP; 203.284 Calculation of up-front and annual MIP on or after July 1, 1991; 203.285 Fifteen year mortgages: calculation of up-front and annual MIP on or after December 26, 1992; 203.415–203.417 Certificate of Claim; 203.420–203.427 Mutual Mortgage Insurance Fund and Distributive Shares; 203.436 Claim procedures—graduated payment mortgages; 203.438 Mortgages on Indian land insured pursuant to section 248 of the National Housing Act; 203.439 Mortgages on Hawaiian home lands insured pursuant to section 247 of the National Housing Act; 203.439a Mortgages on property in Allegheny Reservation of Seneca Nation of Indians authorized by section 203(q) of the National Housing Act; and 203.440–203.495 Rehabilitation Loans.

(b) For the purposes of this subpart, all references in 24 CFR part 203, subpart B, to section 203 of the Act shall be construed to refer to section 257 of the Act. Any references in 24 CFR part 203, subpart B, to the “Mutual Mortgage Insurance Fund” shall be deemed to be to the Home Ownership Preservation Entity Fund, and any references to “the Commissioner” shall be deemed to be to the Board or the Commissioner (as the context may require).

(c) If there is any conflict in the application of any requirement of 24 CFR part 203, subpart B, to this part 4001, the provisions of part 4001 shall control.